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RUEKJCS/SECDEF WASHDC 1302
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SUBJECT: KAZAKHSTAN: NARCOTICS AND PROPERTY SEIZURES BY COMMITTEE
FOR NATIONAL SECURITY

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11. (U) Sensitive but unclassified. Not for public internet.

12. (U) SUMMARY: Kazakhstan's Committee for National Security (KNB) publicly reported its narcotics seizures for the first half of 2009. Total KNB seizures increased 466% from the same period last year. In addition, the KNB reported that it began seizing property purchased with drug profits, the first time a Kazakhstani law enforcement agency has taken such action. END SUMMARY.

13. (U) German Didenko, Head of the KNB Division on Combating International Drug Trafficking spoke to the press on July 30 and reported that the KNB had arrested members of 25 drug rings and blocked 56 drug routes, including 36 international routes, during the first half of 2009. As a result of KNB operations, he said, two metric tons of drugs, including 261 kilos of heroin, 104 kilos of hashish and 1,500 kilos of marijuana, were seized. The KNB's drug seizures increased 466%, with a 1.3% increase in heroin seizures. NOTE: Total seizures in Kazakhstan during the first half of 2009 will be reported septel. END NOTE.

INTERNATIONAL COOPERATION

14. (U) The KNB participated in 11 joint operations with special services throughout Central Asia, Russia, and China, resulting in the seizure of hundreds of kilos of drugs headed to the Russian cities of Omsk, Kazan, Novosibirsk, and Samara via Kyrgyzstan and Kazakhstan. During one operation, the Russian Federal Security Service (FSB) and Kazakhstani KNB arrested two Tajik citizens delivering nine kilos of heroin to Kazan, Tatarstan. As a result of a controlled delivery operation from Taldykorgan, Kazakhstan to Novosibirsk, Russia, two Russian citizens were arrested for trafficking.

15. (U) The Chinese Ministry of Public Security and the KNB participated in the SafariTransit joint operation September 2008

through March 2009, stopping a large transnational drug ring transporting Afghan heroin through Kazakhstan to China. As part of the operation, the KNB conducted three controlled delivery operations to China. Members of a Nigerian organized crime group were living in China and had long been working with Pakistani organizations. Couriers transported heroin via commercial flights from Kabul and Islamabad to Almaty and onward to Guangzhou via Beijing. On January 30, an Afghan citizen flying to Kabul was arrested with four kilos of heroin at a security checkpoint in the Almaty airport. As a result of the operation, three Mongolians, five Afghans, and one Ghanaian were arrested in Almaty and seven Nigerians, one Mongolian, and one Uzbek were arrested in Guangzhou, China. A total of 15 kilos of heroin was seized during the operation.

STATISTICS

¶6. (U) Authorities seized large amounts of heroin in Astana (19.9 kilos), Almaty (17.5 kilos), Almaty Oblast (7.6 kilos), East-Kazakhstan Oblast (39.7 kilos), Zhambyl Oblast (63.5 kilos), North-Kazakhstan Oblast (42.2 kilos), and South-Kazakhstan Oblast (63.7 kilos). But law enforcement officials seized especially large quantities of marijuana and hashish in Akmola Oblast (271.4 kilos), Zhambyl Oblast (832 kilos), Karaganda Oblast (486 kilos), and Pavlodar oblast (375.7 kilos). The KNB also seized synthetic drugs, including 232 tabs of ecstasy and 124 amphetamine pills, being trafficked from Moscow to Astana.

DOMESTIC EFFORTS

¶7. (SBU) During the press conference, Didenko also mentioned that there has been a noticeable reduction of heavy drug traffic in Kazakhstan, which he attributed to the financial crisis. This theory was substantiated during INL's July 24 meeting with the Chairman of the Ministry of Interior's (MVD) Committee on Combating

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Drugs. The Chairman mentioned that there has been a marked increase in drug dealers bartering heroin for vehicles. At the same time, there has been an increase in the sale of marijuana from the Chu Valley, leading law enforcement agencies to strengthen their efforts in the valley, located on the Kazakhstani-Kyrgyz border. Each year from May 20 through October 20, Kazakhshtan conducts an Operation known in Russian as Mak and in Kazakh as Koknar (poppy), during which the MVD, KNB, and Customs create a security zone around the valley. This operation often accounts for a large percentage of annual marijuana seizures. Last year, for example, Operation Mak/Koknar resulted in the seizure of 20,000 kilos of marijuana.

¶8. (U) The KNB also has seen new concealment methods used by traffickers. For example, on the theory that wolves' scent will confuse canines, traffickers are covering narcotics with powdered wolf's tooth. Narcotics have also been found in nut shells and vegetables, as well as in liquid form.

¶9. (U) The KNB reported that it is strengthening the southern border of Kazakhstan to help stem the flow of narcotics. Construction and equipping of additional border posts and the purchase and installation of barriers and inspection equipment is foreseen within the State Program on Combating Drug Trafficking. Of the 38.7 million KZT (approximately \$258,000) allocated by the government to the 2009-2011 Program on Combating Drug Addiction and Drug Trafficking, the KNB is to receive 18.7 million KZT (approximately \$124,666).

GOING AFTER THE PROFITS

¶10. (U) During the first half of the year, the KNB became the first Kazakhstani law enforcement agency to seize property purchased with drug proceeds. In one case, a ring operating six drug houses in and around Almaty was shut down by the KNB as part of Operation Pyramid, conducted in April and May. Reportedly, each of the houses was earning approximately 200,000 KZT (\$1,333) per day. As a result of the operation, the head of the cartel and six members were arrested and the KNB seized approximately \$206,000 in various currencies, more than 5.5 kilos of heroin, cocaine, hashish and marijuana, three

weapons, ammunition, and gold. The KNB tracked the laundered proceeds, seizing three houses, two apartments, 14 vehicles, 100 hectares of land, and a farm.

¶11. (U) During Operation Temyr Tor (Iron Trap), the KNB dismantled a cartel trafficking heroin from Kyrgyzstan and Uzbekistan to Russia through Kazakhstan. The head of the cartel and its members were arrested with more than 42 kilos of heroin. While tracing the laundered proceeds, the KNB also found luxury cars and real estate.

After it was discovered that drug profits had been invested in a business owned by the cartel leader's spouse, investigators found that the business was also liable for \$260,000 in unpaid taxes. Additionally, a high-ranking member of the cartel was charged with attempting to bribe a KNB official.

COMMENT

¶12. (SBU) The KNB has publicly emphasized the importance and complexity of tracing and seizing drug proceeds. However, the lack of an Anti-money Laundering (AML) Law complicates the process. The AML Law, passed by Parliament in June, is currently before the Constitutional Council and cannot be signed by the President until the Council determines that the new Law is constitutional. The KNB and the newly-formed Financial Intelligence Unit of the Ministry of Finance have discussed how to cooperate once the AML Law is signed. The MVD's Interagency Counter Narcotics Training Center (CN Center) is also reacting to the new challenges and has asked for INL assistance in developing a curriculum for drug-related money laundering investigation training. INL will continue its technical assistance to the FIU and CN Center and will work with DEA to provide training sessions next year. END COMMENT.

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